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Ghelamco Invest NV
Half year results 30.06.2022

Continued development and commercial efforts with focus on environmental aspects resulting in a sound balance sheet structure

- **Net profit for the period of 4,034 KEUR (compared to 23,789 KEUR as per 30.06.21). The decrease compared to the first half of 2021 comes as no surprise, given the current market and geopolitical conditions.**

- **Solvency ratio remained stable at 33.94% (compared to 33.86% as per 31.12.21).**

- **Continuation and good progress of the construction works in the office and hotel project The Wings at the Culliganlaan in Diegem. Ongoing negotiations are currently being finalized to lease an additional 11% which will bring the total lease status at 70%.**

- **Continuation of the construction works in the residential Lake District project in Knokke. The project offers 166 high-end apartments over 3 buildings and approx. 4,200 sqm retail function. The commercialisation of the project was a huge succes as all units and retail are (pre-) sold.**

- **Continuation of the advanced construction works of The Arc in London (mixed residential, offices and retail project at City Road 225). The commercialisation of the project is ongoing and resulted in substantial reservation of residential units up to 20%.**

- **Further development of the project sites in Antwerp: Antwerp West, Copernicus Site and Noorderlaan as well as in the Brussels region: Kouterveldstraat in Diegem and Lloyd George in Brussels. The Company is designing its projects to the latest needs of the stakeholders enabling submitting the respective permits with the local authorities.**

- **Receipt of building permit as per 1 August to develop a top-notch data center and a medical, technical infrastructure and prevention laboratory located at the Zellik Research Park. The first center in its kind in the Belgian territory. The project includes the development of offices, R&D, training and co-creation facilities and will provide housing to startups, spin-offs, knowledge institutions and companies. Furthermore, Ghelamco will focus on carbon neutrality through investing in brand new techniques such as heat recuperation techniques to deploy a heatnetwok on site as well as incorporating solar panels for own electricity needs. Ghelamco will obtain an Edge attestation for this project.**

- **In view of the ongoing efforts on implementing new techniques in conformity with ESG and obtaining well-knowned green-certificates for its projects such as BREEAM, WELL and DGNB, the Company succeeded in winning different prices on the European Property Awards for the Wings project and the PwC Campus project.**

Preliminary remark

Ghelamco Invest NV (with all of its subsidiaries) represents the Belgian, French and UK activities of the Ghelamco Group, a leading European real estate investor and developer active in the offices, residential, retail and logistics markets.

Ghelamco Invest NV is hereafter referred to as "Ghelamco Invest" or the "Company".

Summary

The first half year of 2022 has been characterised by unfavourable geopolitical conditions and macro-economic headwinds. The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges. Real estate investments declined in all segments with reduced liquidity in capital markets. The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome. The Company was not directly confronted with a negative impact of this event on its portfolio due to management's actively monitoring and tracking. The Company believes that this active management resulted in further starting and/or completing of projects in the first half of 2022. It is to be expressed that the Company's key office projects are characterised by a low supply of high quality sustainable offices, with increasing rents. The Company's positioning will continue to be the key driver of the business as the Company's projects portfolio remains attractive to potential investors and tenants.

Despite the unfavourable conditions, the Company closed its 2022 half-year accounts with a net profit of 4,034 KEUR. While further paying strong attention to (amongst others technical and environmental) sustainability, the Company kept the focus on its development and commercial activities in its core markets in the past half year. The Company has in the current period once more considerably invested in a number of existing projects (mainly The Wings in Diegem and The Arc in London), resulting in the creation of added value on its current projects portfolio. This is reflected in an increased balance sheet total of 1,116,465 KEUR and an increased equity of 378,936 KEUR. The solvency ratio[1] remained stable at 33.94% (33.86% per 31/12/21).

In Belgium, the Company has been intensifying its development activities over the last years (with on average over 40 projects in portfolio). As a consequence, a significant number of Belgian projects have been delivered, commercialised and sold in the course of the last years.

Continuation and good progress of the construction works in the office and hotel project The Wings at the Culliganlaan in Diegem. Ongoing negotiations are currently being finalized to lease an additional 11% which will bring the total lease status at a level of 70%.

The construction works of the residential Lake District project in Knokke have been continued and are well advanced in view of the scheduled first deliveries in Q1-Q2 2023. The project offers 166 high-end apartments, approx. 4,200 sqm retail function on the groundfloor and a hotel, spread over 3 buildings: The Tower (13 floors),

[1] Calculated as follows: equity/total assets * 100

11 Lake Garden (6 floors) and 8 Lake Garden (4 floors). All of the available apartments have already been sold out.

The Company further developed and designed its projects in the Antwerp region during the first half year of 2022 – Antwerp West, Copernicus Site and Noorderlaan. At the current date of this report, the Company was able to sign a long term lease contract with an anchor tenant for the office part on the Copernicus site as well as a lease contract with a single tenant for the construction of a building offering office, warehouse and parking spaces on the Antwerp West site.

During H1 2022, the company focused as well on the Brussels region in respect of its projects at Kouterveld (Diegem) and Green Energy Park (Zellik). The Company received in the meantime the building permit to develop at the Zellik Research Park "state-of-the-art" research, development, training and co-creation facilities that will provide housing to startups, spin-offs, knowledge institutions and companies.

Key figures

Consolidated statement of profit or loss (in KEUR)	**30.06.2022**	**30.06.2021**
Operating result	17,795	22,979
Profit for the period	4,034	23,789
Share of the owners of the Company in the profit for the period	4,051	23,792
Consolidated statement of financial position (in KEUR)	**30.06.2022**	**31.12.2021**
Total assets	1,116,465	1,107,112
Cash and cash equivalents	4,007	17,880
Net financial debt [2]	650,167	636,684
Total equity	378,936	374,839

Revenue for the first semester of 2022 amounts to 27,165 KEUR and mainly relates to rental income (5,989 KEUR) and sales of residential projects (21,176 KEUR).

The investment property portfolio evolved from 488,121 KEUR per end 2021 to 552,687 KEUR per end of June 2022. This evolution is the combined result of current period's expenditures (48,847 KEUR) and fair value adjustments (15,719 KEUR). The current period's favorable fair value adjustment is mainly the consequence of the Company's sustained investment and leasing efforts, in combination with market evolution (in terms of yields and rent levels).

The operating result for the first half-year of 2022 totals to 17,795 KEUR.

Property development inventories balance increased by 8,241 KEUR to 248,925 KEUR. This evolution is mainly related to the acquisition of some strategic (land) plots.

During the period the Company was able to obtain new bank borrowings and withdrew on existing credit facilities for a total amount of 34.7 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 3.0 MEUR, bringing the total outstanding amount of bank borrowings to 408.7 MEUR (compared to 377.0 MEUR at 31/12/2021).

[2] Calculated as follows: interest bearing loans and borrowings - cash and cash equivalants

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Overview

In the current period, the company acquired the following land plots/projects:
- Additional land plot in France for the future development of the hotel project Pomme De Pin
- Strategic acquisitions for redevelopment such as Garage S.O.S (Knokke) and Van Steenwinkel (Antwerp)

The Company's main development activities during the first half of 2022 related to:
- Continuation of the construction works of the Lake District residential project in Knokke (offering 166 luxurious apartments, 4,200 sqm retail and 486 parking spaces);
- Continuation of the construction works in the mixed residential/offices/retail project The Arc in London (offering 100 residential units and 15,000 sqm of office and retail space); and
- Continuation of the construction works in The Wings project (offering +/- 48,500 sqm leasable office space in total) at the Culliganlaan in Diegem

Following main lease agreements have been signed per date of the current report:
- VDAB has signed a long term lease agreement for the office part in the future development of the Copernicus site after period end.
- Dematic has signed a long term lease agreement for the construction of a new building on the Antwerp West site.

As to divestures and/or revenues:
- Current period's other, residential revenues mainly related to installment invoicing (under the Breyne legislation) connected to the sale of apartments in the Lake District project in Knokke.

Outlook

It is the Company's strategy to further diversify its development portfolio by spreading its developments over different real estate segments and/or mixed projects.

For the second half of 2022, the Company will continue its sustained growth ambition. In addition, it will closely monitor specific evolutions in its active markets and real estate segments and has already secured some important positions for sizable new projects.

In respect of the Ukrainian armed conflict, the management will further closely monitor and track the impact of the political and economic situation it might have on the Belgian and UK operations of the Company.

In the opinion of the company's management, the armed conflict in Ukraine is not a circumstance that could result in a significant deterioration of the Company's financial situation and adversely affect the assumption that its business will continue in the foreseeable future.

Risks

Due to its activities, the Company is exposed to a variety of financial and operational risks: including interest rate risk, price risk, credit risk and liquidity risk. Financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings.

These risks, which are described in detail in the Ghelamco Invest NV IFRS Consolidated Financial Statements at 31 December 2021, remain applicable for 2022 and are closely managed and monitored by the Company's management.

Declaration in accordance with Art. 13 of the Belgian Royal Decree of 14 November 2007

The Management, acting in the name of and on behalf of GHELAMCO INVEST NV, attest that to the best of their knowledge,

- the interim condensed financial statements are prepared in accordance with applicable accounting standards and give, in all material respect, a true and fair view of the consolidated assets and liabilities, financial position and consolidated results of the Group and of its subsidiaries included in the consolidation for the six month period;
- the interim financial management report, in all material respect, gives a true and fair view of all important events and significant transactions with related parties that have occurred in the first six month period and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties we are confronted with for the remaining six months of the financial year.

Paul Gheysens
CEO & Managing Director
Ieper
27/09/2022

Philippe Pannier
CFO
Ieper
27/09/2022

About Ghelamco

Ghelamco Group is a leading European real estate investor and developer active in the offices, residential, retail and logistics markets. It maintains a high quality internal control with respect for agreed milestones over all its project development phases: land purchase, planning, coordinating the construction phase and sale or lease. Its projects combine prime and strategic locations with efficient and aesthetically inspiring designs and correct timing. Its successes on the Belgian, French, UK and Polish markets are generated by the group's professional and enthusiastic staff that is driven by the vision and passion of its management.

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Condensed consolidated interim financial statements Ghelamco Invest NV per June 30, 2022

Condensed consolidated statement of profit or loss (in KEUR)

	Note	30/06/2022	30/06/2021
Revenue	7	27,165	27,076
Other operating income	8	1,499	2,187
Cost of Property Development Inventories	7	-17,091	-17,498
Employee benefit expense		-2	-1
Depreciation amortisation and impairment charges		-117	-52
Gains from revaluation of Investment Property	4, 8	15,719	25,057
Other operating expense	8	-11,024	-10,510
Share of results in equity accounted investees (net of tax)	5	1,646	-3,280
Operating profit, including share of profit in equity accounted investees (net of tax) - result		**17,795**	**22,979**
Finance income	9	4,622	6,516
Finance costs	9	-11,935	-7,621
Profit before income tax		**10,482**	**21,874**
Income tax expense	10	-6,448	1,915
Profit for the period		**4,034**	**23,789**
Attributable to			
Owners of the Company		4,051	23,792
Non-controlling interests		-17	-3

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Condensed consolidated statement of profit or loss and other comprehensive income (in KEUR)

	30/06/2022	30/06/2021
Profit for the period	4,034	23,789
Exchange differences on translating foreign operations	67	-15
Other		
Items that are or may be reclassified subsequently to profit or loss	67	-15
Total Comprehensive income for the period	**4,101**	**23,774**
Attributable to		
Owners of the Company	4,118	23,777
Non-controlling interests	-17	-3

Condensed consolidated statement of financial position (in KEUR)

	Note	30/06/2022	31/12/2021
ASSETS			
Non-current assets			
Investment Property	4	552,687	488,121
Property, plant and equipment		350	350
Equity accounted investees	5	29,854	28,207
Receivables and prepayments	11	6,344	6,367
Deferred tax assets	10	16,603	15,665
Other financial assets	11	5,004	5,009
Total non-current assets		**610,842**	**543,719**
Current assets			
Property Development Inventories	3	248,925	240,684
Trade and other receivables	11	251,251	303,379
Current tax assets		5	15
Assets classified as held for sale	4	1,435	1,435
Cash and cash equivalents	11	4,007	17,880
Total current assets		**505,623**	**563,393**
TOTAL ASSETS		**1,116,465**	**1,107,112**

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Condensed consolidated statement of financial position (in KEUR) (cont'd)

	Note	30/06/2022	31/12/2021
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders			
Share capital		146,490	146,490
Currency Translation Adjustment (CTA)		22	-45
Retained earnings		231,582	227,531
		378,094	373,976
Non-controlling interests		842	863
TOTAL EQUITY		**378,936**	**374,839**
Non-current liabilities			
Interest-bearing loans and borrowings	6	481,788	415,332
Deferred tax liabilities	10	24,257	18,772
Other liabilities		177	0
Total non-current liabilities		**506,222**	**434,104**
Current liabilities			
Trade and other payables	11	57,210	58,185
Current tax liabilities	10	1,711	752
Interest-bearing loans and borrowings	6	172,386	239,232
Total current liabilities		**231,307**	**298,169**
Total liabilities		**737,529**	**732,273**
TOTAL EQUITY AND LIABILITIES		**1,116,465**	**1,107,112**

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Condensed consolidated cash flow statement (in KEUR)

	Note	30/06/2022	30/06/2021
Operating Activities			
Profit / (Loss) before income tax		**10,482**	**21,874**
Adjustments for:			
- Share of results in equity accounted investees	5	-1,646	3,280
- Change in fair value of investment property	4	-15,719	-25,057
- Depreciation, amortization and impairment charges		117	18
- Result on disposal Investment Property		0	-10
- Net interest charge	9	4,317	1,741
- Movements in working capital:			
- Change in prop. dev. inventories		-8,241	-31,649
- Change in trade & other receivables		56,622	1,922
- Change in trade & other payables		-393	6,686
- Movement in other non-current liabilities		0	217
- Other non-cash items		123	-26
Income tax paid	10	-933	-7,151
Interest paid (*)	9	-7,370	1,424
Net cash from operating activities		**37,359**	**-26,731**
Investing Activities			
Interest received	9	128	803
Purchase/disposal of PP&E		0	-249
Purchase of investment property	4	-44,884	-65,768
Capitalized interest in investment property (paid)	4	-6,114	-4,639
Proceeds from disposal of investment property	4	0	123,386
Net cash outflow on acquisition of subsidiaries			
Net cash inflow/outflow on other non-current financial assets		28	821
Net cash inflow/outflow on NCI transactions			
Net cash flow used in investing activities		**-50,842**	**54,354**
Financing Activities			
Proceeds from borrowings	6	35,609	105,827

Repayment of borrowings	6	-35,999	-124,590
Capital decrease			
Dividends paid			
Net cash inflow from / (used in) financing activities		**-390**	**-18,763**
Net increase/decrease in cash and cash equivalents		**-13,873**	**8,860**
Cash and cash equivalents at 1 January of the year		**17,880**	**25,080**
Cash and cash equivalents at the end of the period		**4,007**	**33,940**

(*): Interests directly capitalized in IP not included (2022: 6,114 KEUR; 2021: 4,639 KEUR, separately presented under investing activities)

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Condensed consolidated statement of changes in equity (in KEUR)

	Attributable to the owners of the Company			Non-controlling interests	Total equity
	Share capital	Cumulative translation reserve	Retained earnings		
Balance at 1 January 2021	**146,490**	**4**	**201,671**	**854**	**349,019**
Capital increase					**0**
Currency Translation Adjustment (CTA)		-15			**-15**
Profit/(loss) for the period			23,792	-3	**23,789**
Dividend distribution					**0**
Change in non-controlling interests					**0**
Change in the consolidation scope			-11		**-11**
Other			10		**10**
Balance at 30 June 2021	**146,490**	**-11**	**225,462**	**851**	**372,792**
Balance at 1 January 2022	**146,490**	**-45**	**227,531**	**863**	**374,839**
Capital increase					**0**
Currency Translation Adjustment (CTA)		67			**67**
Profit/(loss) for the period			4,051	-17	**4,034**
Dividend distribution					**0**
Change in non-controlling interests					**0**
Change in the consolidation scope				-4	**-4**
Other					**0**
Balance at 30 June 2022	**146,490**	**22**	**231,582**	**842**	**378,936**

Segment reporting

A segment is a distinguishable component of the Company which is engaged either in providing products or services (business segment), or in providing products or services within a particular economic area (geographic segment) and which is subject to risks and rewards that are different to those of other segments.
Management does not receive information disaggregated at a lower level than Ghelamco Invest as a whole. Hence no segment information has been included in this financial reporting.

Notes to the condensed consolidated interim financial statements at 30 June 2022

1. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 2021 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The condensed consolidated financial statements for the 6-months period ended June 30, 2022, were approved by the Board of Directors on 27 September 2022.

The new interpretations and standards that are applicable from 2022 did not have any significant impact on the Company's interim financial statements.

Risk related to a crisis resulting from the Ukrainian armed conflict

In the opinion of the company's management, the armed conflict in Ukraine is not a circumstance that could result in a significant deterioration of the Company's financial situation and adversely affect the assumption that its business will continue in the foreseeable future.

Management will closely monitor and track the impact of the political and economic situation in Ukraine on its operations, including its future financial condition and results, and will make efforts to mitigate any potential negative effects on the Company, its personnel and operations.

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2. Significant accounting policies

The condensed consolidated interim financial statements are prepared on a historic cost basis, with the exception of investment property (under construction), assets held for sale and derivative financials instruments, which are stated at fair value.

All figures are in thousands of EUR (KEUR), unless stated otherwise.

The accounting policies adopted are consistent with those followed for the preparation of the Company's consolidated financial statements for the year ended 31 December 2021.

3. Property development inventories

Property development inventories contain mainly plots of land held for development of residential purposes and residential buildings either finished or still under construction.

	30/06/2022	31/12/2021
Property Development Inventories	248,925	240,684
Raw materials	0	0
Finished goods	0	0
	248,925	**240,684**

The inventory mainly relates to:
- Residential projects at the Belgian coast, mainly in Knokke;
- The Edition Zoute project (49 serviced boutique apartments with commercial functions on the ground floor, in Knokke); construction is currently in a final stage;
- Some plots in Courchevel for the development of (combined) residential/hotel projects;
- Residential units in the Arc project (UK) at 225 City Road, London; under construction;
- Capitalized Eurostadium IP rights on the design, study costs and expenditures related to the acquired leasehold; and
- Copernicus site in Antwerp, for the future development of a mixed project.

Eurostadium Brussels

The Board of the Directors confirms its statement mentioned in the Consolidated Financial Statements as at December 31, 2021 (p. 52-53). Since that date the situation has not significantly changed. With respect to the capitalised Eurostadium expenditures (amounting to 23.6 MEUR as of 30 June 2022 and 31 December 2021), the Board of Directors acknowledges that the current status of the case constitutes an uncertainty but remains of the opinion that the capitalized expenses will be recovered in the future through the outcome of the ongoing procedures, either through execution of the leasehold agreement, or a new, revised permit request, or indemnification.

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4. Investment property

Balance at 31 December 2021	488,121
Acquisition of properties	
Acquisition through business combinations	
Subsequent expenditure	48,847
Transfers	
- Assets classified as held for sale	
- Other transfers	
Adjustment to fair value through P/L	15,719
Disposals	
CTA	
Balance at 30 June 2022	**552,687**

Investment Properties are stated at fair value as determined by either independent appraisers or by management and are classified in 4 categories:

A. Land without pre-permit approval, held for capital appreciation or undetermined use (fair value based on comparative method);
B. Land with pre-permit approval held for development and investment (fair value based on the potential of constructing leasable sqm);
C. Land + construction ongoing (fair value based on the residual method);
D. Completed Projects held for investment.

Country + SPV	Commercial Name	Valuation	Cat	30/06/2022	31/12/2021
BELGIUM + UK				**KEUR**	**KEUR**
Leisure Property Invest	Knocke Village	Man	B/C	116,795	112,740
Zeewind	Zeewind	Man	D	1,746	1,746
DNF/Filature Retail	Filature/ Tribeca Retail	Man	D	4,650	4,650
Docora	Rafc stands 1 & 4	Man	D/C	84,711	84,549
Viminalis	Antwerpen West	Man	B	46,996	43,580
Brussel Lloyd George	Lloyd George	Man	B	45,674	45,429
Sogimes NV/ Verbena NV/ Cogimes NV	The Wings	BNP	C	94,548	66,642
225 City Road Ltd	The Arc	Savills	C	154,071	125,749
Ligora	Kouterveld	Man	B	3,496	3,036
TOTAL:				**552,687**	**488,121**

Legend : Man = Management valuation, Savills = Savills valuation report, BNP = BNP Paribas Real Estate.

The average yields used in the expert valuations (applying residual method) on 30 June 2022 are as follows:

- 4.95% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 5.10% per 31/12/2021);
- 4.75% for UK office projects, depending on the location, specifics and nature of the investment;
- 6.25% for Belgian retail projects, depending on the specifics, nature and location of the investment (vs. 6% to 6.25% per 31/12/2021);
- 5.65% for Belgian hotel projects, depending on the location, specifics and nature of the investment (vs. 5.75% per 31/12/2021);

The average rent rates used in the expert valuations are as follows:

- 170 EUR/sqm/year for Belgian office space (vs. 170 EUR/sqm/year per 31/12/2021);
- 72,49 £/sq ft/year for UK office projects depending on the location, specifics and nature of the project;
- 125 EUR/sqm/year to 140 EUR/sqm/year for Belgian retail space (vs. 125 to 140 EUR/sqm/year per 31/12/2021), depending on the location, specifics and nature of the project;
- 200 EUR/sqm/year for Belgian hotel projects, depending on the location, specifics and nature of the investment.

With respect to the fair value adjustments which have been recognized in the current period, we refer to note 8 of the Consolidated interim Financial Statements.

There have been no disposals of investment property during the first half of 2022.

Assets held for sale

Assets held for sale amount to 1,435 KEUR per 30 June 2022 and is related to the freehold rights of the Spectrum office project in Brussels. On 20 December 2019, the leasehold right on the Spectrum office project has been sold to Deka Immobilien and they were granted a call option to acquire the freehold rights of the project at the earliest on 1 February 2022 and the latest 31 July 2022. Deka Immobilien called the option and the notarial deed is being prepared per date of the current report.

5. Equity accounted investees

Equity accounted investees amount to 29,854 KEUR as of 30 June 2022. The outstanding balance relates on the one hand to the (50%) participating interests in Carlton Retail NV, which is connected with the One Carlton high-end residential project in Knokke Zoute (13,652 KEUR), and on the other hand, the remaining 80% stakes in Meetdistrict Gent NV (9,585 KEUR) and Ring Multi NV (6,617 KEUR).

The share of the Company in the result of equity accounted investees amounts to 1,646 KEUR as per 30 June 2022.

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6. Interest bearing loans and borrowings

	30/06/2022	31/12/2021
Non-current		
Bank borrowings	283,607	217,890
Other borrowings - bonds	198,181	197,442
	481,788	**415,332**
Current		
Bank borrowings	125,098	159,084
Other borrowings - bonds	47,288	80,147
	172,386	**239,231**
TOTAL	**654,174**	**654,563**

6.1 Bank borrowings (408,705 KEUR; of which 283,607 long-term and 125,098 short-term)

During the period, the Company contracted new bank borrowings and withdrew on existing credit facilities for a total amount of 34.7 MEUR. On the other hand, reimbursements and re-financings have been done for an amount of 3.0 MEUR; bringing the total outstanding bank borrowings to 408.7 MEUR (compared to 377.0 MEUR at 31/12/2021).

When securing debt finance for its (larger) projects, the Company always negotiates long term agreements with its banks. Under these agreements, the bank swaps land acquisition loans (usually 2-year term) into development loans (usually additional 2-year term) and swaps development loans into investment loans (mostly 5 years term) upon the fulfilment of pre-agreed conditions. Most banking partners of the Company have accepted the above as a “framework” for past, current and future co-operation.

As a consequence of the step-up loan structure 72% of the outstanding non-current bank borrowings is maturing within a 2 years-period, 28% is maturing after more than 2 years.

With respect to the outstanding short-term bank borrowings, it is to be mentioned that a significant part of the balance per books is currently in the advanced process of prolongation or refinancing (e.g. through a swap to investment loans), or has per date of the current report already been prolonged.

6.2 Bonds (245,469 KEUR; of which 198,181 KEUR long-term and 47,288 KEUR short-term)

On 20 November 2017, the Company has issued bonds for a total amount of 101,600 KEUR, within a second 250 MEUR EMTN program. First tap on this program resulted in the issue of a tranche of 54,200 KEUR with a 7 years tenor and bearing an interest of 4.8% and of a tranche of 47,400 KEUR with a 5 years tenor and bearing an interest of 4.3%. The bonds are secured by a first demand guarantee from Ghelamco Group Comm. VA. The transaction has been coordinated by KBC, BNP, Société Générale and ABN Amro as managers and has been underwritten by professionals and institutional investors.

In addition, the Company has on 23 October 2018 issued bonds for a total amount of 33,000 KEUR within the above 250 MEUR EMTN bonds program. The bonds bear an interest rate of 4.5% and are secured by a first

demand guarantee from Ghelamco Group Comm. VA. The transaction has been coordinated by KBC, BNP Paribas Fortis and Société Générale as managers and has been subscribed by professionals and institutional investors. These bonds were repaid at its maturity date being 23/05/2022.

Furthermore, the Commission de Surveillance du Secteur Financier (the CSSF) has on 11 December 2019 approved the Company's base prospectus relating to a new 250 MEUR Green EMTN programme, under the prospectus regulation in the Grand-Duchy of Luxemburg. The bonds under this new programme are issued as 'green bonds', under the Company's Green Finance Framework. Under its Green Finance Framework, the Company intends to issue green bonds that will finance and/or refinance the development and implementation of sustainable and energy efficient green building projects which will be certified with high standards by internationally-recognized verifiers, namely BREEAM Excellent or above, LEED Gold or above, DGNB Gold or above, and HQE Excellent or above, EPC Label A, and meeting the NZEB as defined by local building legislation across European countries. The Green Finance Framework has been rated by Sustainalytics, a leading independent ratings and analytics firm. Based on its analysis, Sustainalytics is in its Second Party Opinion of the opinion that Ghelamco's Green Finance Framework is credible, transparent, and aligned with the Green Bond Principles (GBP) 2018 and the Green Loan Principles (GLP) 2018.

In January 2020, a first 20 MEUR tranche of Green bonds has been issued within the 250 MEUR Green EMTN bonds programme. This first tranche consisted of the roll-over of an existing short-term loan from an institutional investor. The tranche has a 7 years term and bears a fixed interest rate of 4.25%. On 3 July 2020, another tranche of 47,500 KEUR has been issued, bearing a fixed interest rate of 5.5% and maturing on 03/07/23. The transaction has been coordinated by Belfius, BNP Paribas Fortis and KBC as joint bookrunners and has been subscribed by professional and institutional investors.

On 23 November 2020, the Commission de Surveillance du Secteur Financier (the CSSF) has approved the Company's new base prospectus in connection with the existing 250 MEUR Green EMTN programme, under the prospectus regulation of in the Grand-Duchy of Luxemburg. As was the case for the previous prospectus, the bonds under this new prospectus will be issued as 'green bonds', under the Company's Green Finance Framework.

On 14 June and 9 November 2021, the Company issued bonds for a total amount of 80,100 KEUR (split into a tranche of 50,100 KEUR and 30,000 KEUR). These bonds, which were issued under the current Green EMTN program of 350 MEUR (increased from 250 MEUR), mature on June 14, 2025, bear a fixed interest rate of 5% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA.

Goal of the resp. issues is to diversify financial resources and secure the mid-term funding necessary to secure the realization of the pipeline of Belgian, French and UK projects.

Total balance of outstanding bonds per balance sheet date (245,469 KEUR) represents the amount of issue (249,200 KEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees and amortized over the term of the bonds).

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2022.

Bank borrowings are secured by amongst others the property development projects of the Company, including land and in-process construction, pledge on SPV shares, etc. The loan agreements granted by the bank are sometimes subject to a number of covenants (Loan to Value, Loan to Cost, Debt Service Cover). During the period and per end of the period, there were no events of default in respect of these borrowings.
The bonds issued by Ghelamco Invest NV under the existing EMTN-programs are guaranteed by Ghelamco Group Comm. VA ('Ghelamco Group'), the parent company of Ghelamco Invest NV. Various covenants are applicable to Ghelamco Group (as guarantor) and Ghelamco Invest (as issuer) under the existing EMTN programs enacted by Ghelamco Invest NV. Covenants are tested both at half-year and at year-end. As at 30 June 2022, both the Issuer and the Guarantor have been in compliance with these covenants. We refer to note 2.2. of the last annual financial statements for an overview of the applicable covenants and the factors that could impact those covenants.

7. Revenue

Revenue can be detailed as follows:

	30/06/2022	30/06/2021
Sales of Residential Projects	21,176	24,414
Rental Income	5,989	2,662
TOTAL REVENUE	**27,165**	**27,076**

The rental income of 2022 mainly relates to the lease income generated from the Lloyd George building in Brussels, the lease income received from the Copernicus building and the RAFC stands in Antwerp.

The (residential) projects sales as of 30 June 2022 mainly relate to:

- The Lake District project in Knokke (17,925 KEUR): land parts and instalment invoicing. This residential project consists out of 166 high-end apartments which has been fully sold out. Instalment invoicing of the sold residential units is at 64% on average.
- 28 parking spaces in Katelijne project in Knokke (1,933 KEUR).
- Senzafine project in Kortrijk (1,217 KEUR): land parts and instalment invoicing on the last 3 apartments (+ 1 reserved apartment) and 6 garages/parking spaces which were sold during H1 2022. This project is fully sold out per date of the current report.

The evolution in the cost of property development inventories goes together and is in line with the evolution in sales. The gross margin is dependent on the type of projects sold and the market.

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8. Other items included in operating profit/loss

8.1 Other operating income

The current period's other operating income (1,499 KEUR) mainly includes some re-charges of real estate tax, co-owners expenses and fit-out expenses to tenants.

8.2 Gains from revaluation of Investment Property

	30/06/2022	30/06/2021
Gains from revaluation of Investment Property	15,719	25,057

Fair value adjustments over the first half of 2022 amount to 15,719 KEUR, which is mainly the result of current period's further investment and leasing efforts, in combination with evolution in market conditions (yield and rent level evolution).

Main (positive) fair value adjustments have been recognized on The Wings project (8.1 MEUR) and The Arc in the UK (7.6 MEUR), in connection with the progress of the construction and commercialisation process.

8.3 Other operating expenses

	30/06/2022	30/06/2021
Other operating expenses		
Taxes and charges	-1,098	-1,116
Insurance expenses	-198	-108
Audit, legal and tax expenses	-3,828	-4,077
Promotional expenses	-318	-390
Sales expenses	-719	-1,994
Rental guarantee expenses	-355	68
Housing costs (incl maintenance)	-1,497	-615
Operating expenses with related parties	-1,479	-1,413
Result THV	-696	0
Miscellaneous	-836	-865
Total:	**-11,024**	**-10,510**

Current year's increase in housing and maintenance costs goes together with the increase in asset management costs for existing buildings (e.g. Lloyd George building in Brussels).
The decrease in sales expenses is related to the fact that prior year's balance included the lease and sale expenses the PWC Offices project.

The Company's (50%) share in the result of the THV One Carlton and Maatschap Albertplein amounts to -696 KEUR.

9. Finance income and finance costs

	30/06/2022	30/06/2021
Foreign exchange gains	-	1,828
Interest income	4,622	4,688
Other finance income	-	-
Total finance income	**4,622**	**6,516**
Interest expense	-8,939	-6,429
Other interest and finance costs	-1,828	-1,192
Foreign exchange losses	-1,168	-
Total finance costs	**-11,935**	**-7,621**

The evolution in interest expenses goes together with the extent of development and construction activities but also with the overall (development and construction) status of projects, based on which interest is expensed in the income statement vs. capitalized in inventory. It is also to be noted that interest expenses related to (not yet delivered) Investment Property projects are not included in the above 2022 and 2021 figures, as those have directly been capitalized on IP.

Other finance costs mainly relate to the amortisation of capitalized bond issue expenses and capitalized loan set-up costs on the UK loan.

Prior period's exchange gains are mainly attributable to the relative strengthening of the EUR vs. the GBP, and its impact on the conversion of the GBP (mezzanine) loans.
It is to be mentioned that main part of current period's exchange differences is unrealized (and connected with the conversion at spot rate of the outstanding GBP (mezzanine) loans.

10. Income taxes

	30/06/2022	30/06/2021
Current income tax	-756	102
Taxes previous years	-1,157	-
Deferred tax	-4,535	1,813
Total income tax	**-6,448**	**1,915**

In general, the deferred tax expenses are mainly related to the recognition of deferred tax liabilities on the fair value accounting of investment property.

Prior year's relatively low (deferred) income tax expense were mainly related to the sale of the PWC Offices project in May 2021. In connection with the sale of the shares of the SPV holding the PWC Offices, cumulated deferred tax liabilities have been reversed through the income statement for an amount of 6.9 MEUR.

11. Financial instruments

The table below summarizes all financial instruments by category and discloses the fair values of each instrument and the fair value hierarchy.

Financial instruments (x € 1 000)	**30/06/2022**				
	FVTPL	**FVOCI**	**Measured at amortised cost/fin. liabilities at amortised cost**	**Fair value**	**Fair value level**
Other financial investments					
Other financial assets			5,004	5,004	2
Non-current receivables					
Receivables and prepayments			6,344	6,344	2
Current receivables					
Trade and other receivables			246,666	246,666	2
Cash and cash equivalents			4,007	4,007	2
Total Financial Assets	**0**	**0**	**262,021**	**262,021**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			248,607	248,607	2
Bonds			198,181	195,989	1
Other borrowings			35,000	35,000	
Interest-bearing borrowings - current					
Bank borrowings			125,098	125,098	2
Bonds			47,288	47,187	1
Other borrowings			-	-	2
Current payables					
Trade and other payables			50,518	50,518	2
Total Financial Liabilities	**0**	**0**	**704,692**	**702,399**	

Financial instruments (x € 1 000)	**31.12.2021**				
	FVTPL	**FVOCI**	**Loans and receivables/fin. liabilities measured at amortised cost**	**Fair value**	**Fair value level**
Other financial investments					
Other financial assets			5,009	5,009	2
Non-current receivables					
Receivables and prepayments			6,367	6,367	2
Current receivables					
Trade and other receivables			299,935	299,935	2
Cash and cash equivalents			17,880	17,880	2
Total Financial Assets	**0**	**0**	**329,191**	**329,191**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			182,890	182,890	2
Bonds			197,442	201,396	1
Other borrowings			35,000	35,000	2
Interest-bearing borrowings - current					
Bank borrowings			159,084	159,084	2
Bonds			80,147	79,251	1
Other borrowings					
Current payables					
Trade and other payables			55,288	55,288	2
Total Financial Liabilities	**0**	**0**	**709,851**	**712,909**	

The above table provides an analysis of financial instruments grouped into Levels 1 to 3 based on the degree to which the fair value (recognized on the statement of financial position or disclosed in the notes) is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

12. Transactions with related parties

Ghelamco (Consortium)'s business activities are structured in four major holdings under common control of the ultimate shareholders (jointly referred to as "Ghelamco"):

- Investment Holding: comprises resources invested in the development of real estate projects in Belgium, France, UK and Poland and the intra-group Financing Vehicles – referred to as "Investment Group" or the "Group";

- Development Holding: represents international entities that provide construction, engineering and development services to the Investment Holding (and to an extent to third parties);

- Portfolio Holding: consists of all other activities and real estate investments controlled by the ultimate shareholders; and

- Ghelamco European Property Fund: is the long-term investment holding and comprises since 2016 the real estate projects kept as income generating products for a longer time. The fund is not regulated but acts as a separate legal entity within the group.

Ghelamco Invest NV (the "Company") is the holding company of the Belgian, French and UK activities of Ghelamco Group Comm. VA, which is in turn the holding company of the Investment Group. Ghelamco Invest NV, together with its subsidiaries, constitute the reporting entity for the purpose of these interim condensed financial statements.

Balances and transactions between the Company and related parties (belonging to the Development Holding and the Portfolio Holding) mainly relate to construction and development services on the one hand and financial related party transactions on the other hand.

Trading transactions: purchase of construction, engineering and other related services from related parties

Construction and development services

The Company has entered into property development and construction contracts with property development and construction companies ("Contractors"), subsidiaries of the Development Holding:

- International Real Estate Services Comm. VA
- and to a lesser extent with Ghelamco NV.

Engineering and architectural design services
APEC Architectural Engineering Projects Limited (a limited liability company registered under the laws of Ireland), legal subsidiary of International Real Estate Services Comm. VA (the parent company of Ghelamco's "Development Holding") coordinates engineering and architectural design services provided to the Company's larger projects, in accordance with terms of the respective contracts.

Above described related party transactions and balances can be detailed as follows:

	30/06/2022	**30/06/2021**
Purchases of construction, engineering and architectural design	-444	-1,282
Operating expenses with related parties	1,479	-1,413
Operating income with related parties		
Interest income	4,089	4,168

	30/06/2022	**31/12/2021**
Related party trade receivable	468	1,351
Related party trade accounts payable	-3,735	-5,221
Related party non-current loans receivable	2,317	1,722
Related party interest's receivable (Ghelamco Group Comm. VA)	33,683	29,594
Related party C/A receivable (Ghelamco Group Comm. VA)	192,916	253,995
Related party non-current loans payable		
Related party interests payable	-630	-536
Related party C/A payable	-9,754	-8,154

The related party current account receivable has decreased by 61.1 MEUR and is fully related to the Company's receivable position towards its parent company Ghelamco Group Comm. VA.

13. Post balance sheet events

On 27 July 2022 the Company has signed a lease agreement with Dematic NV for the Antwerp West project. Dematic NV will lease +/- 14,000 sqm office space, warehouse facility and 200 underground parking spaces in a new single tenant building to be constructed on the Antwerp West site.

On 16 September 2022 the Company has finalized its lease negotiations with VDAB for the Copernicus project which will develop a mixed project combining office, residential and retail space.

Statutory Auditor's Report to the board of directors of Ghelamco Invest NV on the review of the condensed consolidated interim financial information as at June 30, 2022 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Ghelamco Invest NV as at June 30, 2022, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2022 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Zaventem, September 28, 2022

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Filip De Bock
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